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United States Attorney McGregor W. Scott
Eastern District of California

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CONTACT: Lauren Horwood
PHONE: (916) 554-2706
lauren.horwood@usdoj.gov

**TWO STOCKTON WOMEN INDICTED FOR EMBEZZLING OVER \$283,000 FROM
SAN JOAQUIN CHILD CARE REFERRAL AGENCY**

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced that a federal grand jury returned an indictment today charging LAPHONE VONGKEO, 31, and MARY THONGDEE, 24, both of Stockton, with embezzling over \$283,000 from the Family Resource and Referral Center, an organization that contracts with the San Joaquin County Human Services Agency to, among other things, pay child care providers for services rendered to qualifying parents on public assistance. VONGKEO and THONGDEE were also charged with laundering the proceeds of the scheme.

The case is the product of an extensive investigation conducted by the Federal Bureau of Investigation and the San Joaquin District Attorney's Office.

According to Assistant United States Attorney Benjamin B. Wagner, who is prosecuting the case, the indictment charges that VONGKEO and THONGDEE conspired to embezzle the funds from November 2004 through July 2007. The indictment alleges that VONGKEO misused her authority as a Payment Provider Analyst at the Family Resource and Referral Center, causing the Center to issue child care services checks payable to THONGDEE, although she was not providing child care services. THONGDEE then cashed the checks and shared the proceeds with VONGKEO. The indictment also alleges that both VONGKEO and THONGDEE opened bank accounts through which they laundered the proceeds by depositing the money in cash

transactions. Finally, the indictment also charges VONGKEO with structuring cash transactions, that is, making cash withdrawals from her accounts in amounts under \$10,000 in order to avoid federal reporting requirements.

The defendants each face a maximum penalty of five years in prison on one count of conspiracy, up to 10 years in prison for one count of embezzlement from a program receiving federal funds, and up to 20 years in prison for multiple counts of money laundering and conspiracy to launder money. VONGKEO also faces up to five years in prison on each of two counts of structuring. The maximum fine on each money laundering count is \$500,000, and on each of the remaining counts, is \$250,000. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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